
OLR Bill Analysis

HB 5483

AN ACT EXTENDING THE FORECLOSURE MEDIATION PROGRAM.

SUMMARY:

This bill extends the Judicial Branch's foreclosure mediation program by four years, until July 1, 2018. This extension applies to foreclosure actions with return dates on or after (1) July 1, 2008 for residential real property and (2) October 1, 2011 for religious organizations' real property. (A return date is the date from which filing deadlines are calculated.) The bill also reopens the applicability of transitional rules for determining when mediation terminates in pending cases.

Finally, the bill adds the Housing Committee to the required recipients of two reports the Judicial Branch's chief court administrator must submit concerning the foreclosure mediation program. Under current law, only the Banks Committee receives these reports.

EFFECTIVE DATE: Upon passage

PENDING CASES

By law, the mediation period generally ends after the third mediation session or seven months after the return date, whichever is earlier. The court can extend mediation, subject to certain conditions.

In addition to extending the foreclosure mediation program by four years, the bill resets the date on which pending cases are subject to transitional rules for determining when mediation terminates. Under current law, these rules applied to cases pending on October 1, 2013; the bill instead applies these rules to cases pending on October 1, 2017.

Under these rules, cases in which three or fewer mediation sessions have been held by that date will be considered to have had no

mediation sessions. In cases in which four or more sessions have been held, any party or the mediator may move to end or extend mediation. If no motion is filed, the mediation period ends after the third session held after October 1, 2017.

REPORTING REQUIREMENT

The bill requires the chief court administrator to submit to the Housing Committee, as well as the Banks Committee, the following reports: (1) by February 14, 2014, a summary of the mediation program and specified data collected from mediator reports submitted between July 1, 2013 and December 31, 2013 and (2) by February 14, 2015, a summary of data collected from mediator reports submitted between July 1, 2013 and December 31, 2014. The chief court administrator must work with the governor's office, the banking industry, and consumer advocates to develop the data required for the 2015 report, including data to be collected but not reported.

BACKGROUND

Foreclosure Mediation Program

The foreclosure mediation program is available to (1) owner-occupants of one-to-four family residential real property who use the property as their primary residence and (2) religious organizations. In either case, the property must be located in Connecticut and the owner must also be the borrower under a mortgage on the property.

The mediation program brings together Judicial Branch mediators, borrowers, and lenders. Participation is mandatory for all eligible foreclosure cases where the borrower has filed an appearance.

Related Bill

sHB 5353, favorably reported by the Banks Committee, (1) extends the foreclosure mediation program by four years and (2) adds the Housing Committee to the recipients of the 2015 report on the foreclosure mediation program.

COMMITTEE ACTION

Housing Committee

Joint Favorable

Yea 10 Nay 0 (03/11/2014)